

NORTHERN AFFAIRS AND NATIONAL RESOURCES
DEPARTMENT AND INFORMATION DIVISION

THE ECONOMICS OF NORTHERN LIVING

By Mr. R. G. Robertson

R. G. ROBERTSON, Deputy Minister,

Department of Northern Affairs and National Resources

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1957

An Article
by

R.G. Robertson, Deputy Minister,
Department of Northern Affairs and National Resources
for publication in
The 1957 Annual Review Issue of
THE NORTHERN MINER

The "economics of living" - whether it be northern, southern, eastern or western living - are important to every one of us. Parents and heads of households know full well that the "economics of living" are usually prime factors in determining the sort of life the family is able to lead. Municipal authorities - yes, and taxpayers too - realize that the "economics of living" condition the extent and pace of community development. And businessmen are well aware that the "economics of living" may spell success or failure for any enterprise.

Those of us who are particularly keen about the possibilities of Canada's north often wish - and perhaps in our enthusiasm we sometimes say it - that the economics of northern living were not much different from the economics of living anywhere else. Unfortunately, this is not so.

For example, we can tell ourselves that the northern summers, while somewhat short, are pleasantly warm - hoping in this way to obscure the very real problem presented by the climate. But the cold truth is that the north is cold! In Yellowknife, for example, the average daily mean temperature for the period November to March is -8°F. The comparable temperature for Edmonton is 16°F, giving an average daily difference between these two communities of 24°. As a consequence, heating costs in Yellowknife are about 50 percent higher than in Edmonton.

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In many other ways, the northern climate raises the cost of living for the individual and his family and the cost for the businessman of operating a mine or plant. For example, it adds substantially to construction costs, it limits the water transportation season and necessitates the purchase of proper clothing. Not only do businessmen and mines have to carry large inventories through a substantial part of the year, but frequently there are added heating costs for these stores.

However, the essential fact is that the climate does not prevent mining or construction activities, or transportation by aircraft, truck or tractor train. Nor does the climate prevent the establishment of living conditions as comfortable as elsewhere in Canada. Climate only makes these things more costly and more difficult; it is not an effective physical barrier to the development and utilization of our northern resources.

There are, of course, many problems. For example, conventional house designs involve high costs of construction and of heating. Where people must live inside to a great extent for much of the year - and where children must play inside - they need space. How can that space be provided - and kept warm - at costs that are reasonable?

Sewer and water systems that are adequate for southern communities are frequently quite impractical in the north. What can be done to reduce the amount of water required, and to remove sewage in a dry form so the problems of freezing fluids does not present itself? How can these things be done - for they must be done if life on normal Canadian standards is to be possible in many parts of the Arctic.

As communities grow, these and other problems are challenging the ingenuity and enterprise of the men who are developing the Canadian north. Some solutions have been worked out, but most

of the problems have yet to be mastered. There is no doubt they can be mastered, but it will require ingenuity and a lot of new thinking.

The construction of the D.E.W. Line strikingly demonstrated that, within the high Arctic, outdoor operations can be carried on successfully by men and machines alike, despite the cold. Over 7000 men were employed in the construction of the Line; large-scale sea and air supply, augmented by the use of the Mackenzie River system, brought in vast quantities of equipment and material. (The sea, air and river routes are now being used in re-supply of the Line.) Construction overcame the natural hazards of difficult, inaccessible country and severe climate and was completed on schedule in a little over two years. Few of the civilian workers had been in the Arctic before but most of them quickly adapted to northern conditions. Old and new transportation methods and construction techniques, from "cat-trains" to prefabricated buildings, were used successfully. Pneumatic drilling, steaming and gravel building pads overcame permafrost.

Just as the elements of nature are important factors in the economics of northern living, so too is the human element. A major problem for any employer is the high rate of turnover among white workers unaccustomed to northern conditions. This is frequently aggravated by the difficulties experienced by the worker's wife and family in making the necessary adjustments to this new mode of life.

It is, perhaps, appropriate to suggest that employers who have had difficulty in retaining staff on northern projects should give serious consideration to the advantages of hiring native Indian and Eskimo help. Accustomed as they are to the north, and with their ability to learn manual skills, our native peoples demonstrated during the construction of the D.E.W. Line that they can be valuable and industrious workers. Already, numbers of employers have provided employment opportunities to Indians and Eskimos.

At first, it requires patience and understanding. Even Canadian Eskimos don't jump from the stone age to driving a D6 without some adjustment! But wherever employers have taken the time and the trouble to understand - and to give a little help to these workers over the early stages, they have been paid in full. Paid, that is, right in their balance sheet. They have also been paid in the knowledge that they are helping some fellow Canadians who need a bit of help to face the world of today. From the standpoint of the native peoples, wider opportunities for wage employment provide a much-needed alternative to their traditional life of hunting and trapping, which has become precarious because of the growing shortage of game and the depressed state of the raw fur market.

Mention has been made of climate and the labour supply. The third and perhaps the most potent element in the economics of northern living is the high cost and general inadequacy of transportation facilities. Since the bulk of equipment, materials and consumer goods have to be brought in from the outside, the limitations imposed by transportation will greatly influence the rate of economic expansion in the Canadian north.

The airplane is playing an important role in opening up the country to prospectors, particularly in the Precambrian Shield with its multitude of lakes, and in providing scheduled services. But once resources are proved and production planned, surface transportation becomes essential. Surface transportation is the key to northern development. In part the problem is one of long distances from markets and supply centres. As a result, direct transportation costs bulk relatively large in industrial and living costs.

The most significant aspect of the transportation problem, however, derives from the sparse population and long distances between settlements in these pioneer regions. Traffic density is low and any

form of transportation is expensive. This tends to discourage the provision of adequate services which in turn creates additional indirect costs such as those referred to earlier in storing and heating large inventories. The Mackenzie River system remains a vital artery but water transportation is slow and limited to a short season.

In recent years, substantial stimulus to economic expansion has been provided by the construction of highways - the Mackenzie Highway (now being extended to Yellowknife), the Whitehorse-Mayo-Dawson Highway - and other roads. No comparable railroad construction, however, has as yet been undertaken. The only railroad in the territories connects Skagway, Alaska to Whitehorse in the Yukon. For the Northwest Territories a railway to Great Slave Lake would be of the highest importance. By stimulating mineral exploration and production and general economic activity in the entire Mackenzie District, it would be one of the great development railroads of Canada.

Climate, labour, transportation - these are some of the realities that must be faced when one considers the economics of northern living. Already the Government of Canada has done a great deal to mitigate the effects of these limiting factors. But the ultimate development of the north must depend not on government action alone but on the enterprise of men and women who have been seized with the great potential of our vast northern resources. The rich promise of this last frontier is sufficient attraction for those who believe in the "economics of northern living".

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